



**SUMMARY  
OF PERFORMANCE  
OF THE  
LIFE  
AND  
GENERAL  
INSURANCE  
SECTORS  
IN 2021**

## **SUMMARY OF THE LIFE INSURANCE SECTOR**

### **PERFORMANCE IN 2021**

Analysis of the performance of the Life Sector of the IAJ is based on the operations of six (6), life companies, namely:

- Canopy Insurance Limited
- Cuna Caribbean Insurance Jamaica Limited
- Guardian Life Insurance Limited
- Sagicor Life Jamaica Limited
- Scotia Jamaica Life Insurance Company Limited
- JN Life Insurance Company Limited

The year 2021 was one replete with precautionary measures associated with Covid 19 and it is commendable that the industry responded positively to the various necessities and succeeded in registering a significant performance for the year.

While the 2021 comparative performance will be shown in this analysis, our graphical presentation will include the 2019 performance to demonstrate the life sectors achievements over a three year period.

#### **New Annualized Premiums**

For 2021, the life sector sold \$7,732.59 million of new Annualized Premiums which was a 9% increase over the \$7,085.81 million recorded for 2020.

#### **Face Amount payable**

New face amount payable was \$372.49 billion, a 16% increase over the \$321.90 billion recorded for 2020. The substantial increase in face amount payable could be due to two factors. The fact that young persons seem to be purchasing coverage and receiving higher coverage because of the cost/coverage relationship and secondly because people are becoming more conscious of insurance coverage because of the realities that Covid 19 has presented.

#### **Number of Policies Sold**

Number of policies, sold for 2021 was 110,949 representing a 4% increase over 106,765 sold in 2020.

#### **Conservation Rate**

The conservation rate of policies increased to 88.99% for 2021 from 88.4% at the end of 2020 representing a 1% forward movement.

## Number of Sales Representatives

Number of Sales Representatives decreased by 7% to 789 at the end of 2021 compared with 845 at the end of 2020. This decrease in Sales Representatives is due mainly to the fact that a number of Brokerages are writing business for their principals. The Brokerages have sales representatives but their numbers are not included in the number of Sales Representative submitted to IAJ by the life companies. Only Sales Representatives employed directly with the principals are submitted to IAJ.

## Total Premium Income

Total Premium Income collected for 2021 was \$44.45 billion, a 0.36% decrease from the \$44.61 billion collected in 2020. Total premium collection for all policies in force is usually impacted by, deaths, surrenders etc.

## Cash Disbursement

The primary purpose of insurance coverage is to pay promised benefits when they become due in accordance with contractual arrangements.

## Total Payout

For 2021 the life sector pay out \$23,.63 billion in benefits which was a 3% decrease from the \$24,.41 billion paid out in 2020.

## Death Benefits

A total of \$ 6,006.96 million in death benefits was paid out in 2021 which was a 33% increase over the \$4,513.70 million paid out in 2020.

## Policy Loans

Policy loans experienced a 12% decrease to \$ 8.99 million at the end of 2021 from the \$10.21 million taken in 2019.

## Surrender of Policies

Policy Surrender experienced a 210% decrease to \$ 4,100.20 million at the end of 2021 from the \$5,109.02 million registered at the end of 2019.

## Encashments

Encashments experienced a 14% drop to \$11,580.84 million at the end of 2021 from \$13,497.29 million recorded at the end of 2019.

## Critical Illness Payout

Critical Illness payout experienced a 50% increase to \$1,562.95 million at the end of 2021 from, \$1,037.01 million at the end of 2019.

### **Maturities**

Policy Maturities experienced a significant 102% increase at the end of 2021 to \$341.66 million from \$169.41 million recorded at the end of 2019.

### **Others**

Others which includes items such as refunds etc had a 68% decrease to \$23.52 million at the end of 2021 from \$74.27 million at the end of 2019.

### **Summary of Life Insurance Sales Product Level Data January-December, 2021**

**For the period January to December 2021` there was a total premium income of \$13,022,688,175 from the sale of:114,297 policies comprising :**

- 3,250 Term policies,
- 6341 Whole Life,
- 10,535 Personal Accident plans,
- ,753 Critical Illness plans,
- 50,087 Universal Interest Sensitive plans and
- 15,331 Universal Equity Linked Plans.

### **Individual Health and Riders**

Only two companies market Individual Health and Riders. These categories provided a total premium income of **\$237,619,831 from 3,675 policies.**

### **Health Claims Paid Out Data**

**A total of \$22,787,357,417.57 was paid out in Health Claims for 2021. This comprised:**

- **Hospitalization** \$2,676,174,067.53
- **Surgery** \$3487042168.86
- **Doctors Fees** \$1,898,733,812.08
- **Lab/XRay** \$2,910,638,274.45
- **Prescription Drugs** \$6,018,185,063.95
- **Maternity** \$227,369,971.82
- **Dental** \$2,392,252,029.95
- **Optical** \$1,840,964,015.49
- **Disability** 121,734,960.00

- **Others** \$1,214,263,053.44

### **Pension Funds Under Management**

At the end of 2021, the life sector had \$266,357,693,000 Pension Funds under Management. A decrease from the \$245,584,187, 000 under management at the end of 2020.

### **Group Life**

Annualized Billed Premium/Fees for Group life was \$3,086,244, 000 for Sum Insured of \$722,321,659,000 for 284,412 Employees/Pensioners from 2,235 contracts. A slight decrease from the \$3,169,315,000 billed in 2020.

### **Creditor Life**

A total of \$6,036,862, 000 representing Annualized Billed Premium/Fees for Creditor Life was registered for 2021 for Sum Assured of \$794,028,537,000 from 188 Contracts representing 1,845,923 Employees/Pensioners.

There was also a single premium of \$598,980, 000 for Creditor Life Only.

### **Group Health**

Annualized Premiums/ Fees billed for Group Life for 2021 was \$19,978,753,000 representing 2,530 Contracts for 278,468 Employees/Pensioners. This is a slight increase on the amount of \$19,755,183,000 billed for 2020.

### **Administrative Services Only (ASO)**

Amount of Premiums/Fees billed for 2021 was \$8,039,130,000 from 13 contracts representing 229,114 Employees/Pensioners.

# SUMMARY OF THE PERFORMANCE OF THE GENERAL INSURANCE SECTOR FOR 2021

The General Insurance Sector of the Insurance Association of Jamaica (IAJ) comprises eleven (10) Companies, namely:

- Advantage General Insurance Company Limited
- British Caribbean Insurance Company
- Guardian General Insurance Jamaica Limited
- General Accident Insurance Company
- GK Insurance Company
- Insurance Company of the West Indies Limited
- Iron Rock Insurance
- JN General Insurance
- Key Insurance Company Limited
- Massy United Insurance

In this summary the General Insurance Sector's 2021 performance will be weighed against the 2020 achievements. In the graphical presentation of the statistics three years will be taken into consideration, 2019, 2020 and 2021..

## **Gross Written Premium**

For 2021` Gross Written Premiums was \$60.86 billion exceeding the 2020 total of \$56,.00 billion by 9%. Main contributors to the Gross Premium amount were::

- **Property:** Commercial \$23,036,183,885 . Residential \$6,484,482,310
- **Motor,** \$24,016,098,321
- **Liability:** Employers \$749,094,637. Public and Other, \$2,520,824,790
- **All Others,** \$ 4,058,130,564

## **Total Underwriting Income**

Total Underwriting Income was \$27.64 billion, a 3% increase over the 2020 amount of \$26.82 billion. This total was arrived at after adjustments for the following categories were made:

- Proportional Reinsurance was \$38,016,871,649 representing 12% above \$34,059,889,135 for 2020.
- Excess of Loss of \$1,549,539,262, was 11% above \$1,391,683,033 for 2020..
- Unearned Premium Adjustment of \$544,647,498 was -581% of \$113,236,269 recorded for 2020.
- Commission Earned, \$,891,351,501, 12% above \$ 6,158,336,475 for 2020.

### Expenses Incurred

- **Gross Claims Incurred** was \$ 21,619,375,760), 32% increase over \$16,413,098,596) for 2020.
- **Reinsurance on Claims** was \$ 8,497,603,909, 111% against 4,033,175,773 for 2020.
- **Commission Outward** was \$3,800,435,259, 6% over \$3,576,019,786 for 2020.
- **All Other Expenses** was a total of \$10,564,123,898 a 2% increase over \$10,338,340,543 for 2020.
- **Total General Insurance Expenses** for 2021 amounted to \$27,486,331,008, a 5% increase over \$26,294,283,153 for 2020.

### Coverage and Risk Segmentation

- **Sum Insured** for 2021 was \$ 5,171,618,757,000, 6% over \$ 3,225,699,540,000 for 2020.
- Policy Count was 491,356 against a 7% increase from the 460,424 Recorded for 2020.
- Risk Count was 614,697 representing a 9% increase on the amount of 564,931 Recorded for 2020.
- Claim Count was 57,445 representing 7% increase on 53,535 on record for 2020.

- Average size policy was 10,525,197 up 50% from 7,005,933 recorded for 2020.
- Average Premium Per Policy was 123,871 up 2% from 121,630 in the previous year.
- Average per Claim Count was 228,423 which was a -2% reduction from the 231,249 recorded for 2020.

Overall, the General Insurance Sector performed well in 2020 which served to enhance customer satisfaction and strengthen the view that the basis of insurance coverage is to pay claims when they become due as long as contractual arrangements are satisfied.